

**OFFICE OF ATTORNEY GENERAL****INSURANCE FRAUD SECTION**  
**TOM CORBETT • ATTORNEY GENERAL**  
**NEWSLETTER**

## Owner "Give-up" Scams

### Allegheny County Man Accused of Arranging the Theft and Burning of his Vehicle



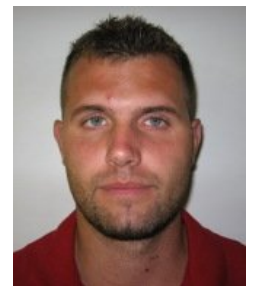
Eddi Glorioso was arrested on September 29, 2008, in Allegheny County and charged with one count of Arson & Related Offenses (F2), one count of Criminal Conspiracy/Arson (F2), one count of Insurance Fraud (F3), one count of Theft by Deception (F3) and one count of False Reports to Law Enforcement (M3).

According to the Criminal Complaint, Eddi Glorioso submitted a claim to the State Farm Insurance Company on April 15, 2007, reporting that his vehicle had been stolen. Glorioso reported that he was in a bar at the time of the theft. The Criminal Complaint further stated that the vehicle was recovered burned approximately three miles from the bar. An examination of the vehicle indicated that it could only have been moved with the use of a properly coded key. There were no items stolen from the vehicle, nor was there any sign of forced entry. Glorioso had been attempting to sell the vehicle and reportedly was unhappy with the transmission. It is alleged that Glorioso arranged the theft and burning of his vehicle with a man he met at the bar who stated he could make the problem go away by getting rid of the vehicle. Glorioso received \$25,000 for his claim from the State Farm Insurance Company.

### Washington County Man Accused of Falsely Reporting The Theft of his Vehicle

On September 30, 2008, Brody Nichols was arrested in Washington County and charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

According to the Criminal Complaint, Brody Nichols filed a claim with the Travelers Insurance Company on August 18, 2007, reporting that his 2004 Mustang was stolen from his residence. The vehicle was subsequently recovered wrecked. Nichols' automobile policy was for comprehensive coverage and would only have covered damages resulting from the vehicle being stolen. Our investigation revealed that Nichols was involved in an accident in which he lost control of his vehicle and crashed into a telephone pole. It is alleged that Nichols left the scene and reported the vehicle stolen in an attempt to have the damages covered under his policy.





## Arrest of Lehigh County Insurance Agent in \$676,000 Insurance Fraud Case

On September 9, 2008, the Attorney General's Insurance Fraud Section arrested a Lehigh County insurance agent, Thomas B. Serfass, accused of stealing more than \$676,000 from senior victims stretching across eastern and central Pennsylvania. Serfass is accused of using his Lehigh County insurance business, Thomas Serfass and Associates, to market various investment products and services to senior citizens in Berks, Lackawanna, Lancaster, Lehigh, Northampton and Pike counties. Serfass allegedly sold what he described as "private annuities," which promised high guaranteed interest rates, along with "asset protection policies," which were suppose to help safeguard the assets of older consumers. Instead of helping seniors invest their hard-earned money or purchase coverage to protect their assets, Mr. Serfass allegedly sold them non-existent policies and used the money to pay his own personal expenses.



Using the title of 'certified senior advisor,' he targeted older residents across the Lehigh Valley and Central Pennsylvania area, stealing their money, their trust and their financial security. According to the criminal complaint, Serfass sold various "private annuity agreements" or "individual annuity agreements" to consumers, who believed they would receive a higher interest rate compared to traditional investment accounts. The annuity agreements were issued by Thomas Serfass and his company, Thomas Serfass and Associates, a company not registered with the Pennsylvania Securities Commission and not licensed by the Pennsylvania Department of Insurance. Additionally, the funds paid to Serfass by various seniors were not deposited into any form of secure, interest-bearing account. Instead, consumers' investments were allegedly deposited into Serfass' business checking account

and used to pay various business and personal expenses. Serfass also allegedly sold various "asset protection" insurance policies to senior victims, who believed that the policies would help safeguard their assets - preventing the loss of their homes should they be required to enter a nursing home. According to the criminal complaint, the asset protection policies were sold in the name of the "Nevada Group," an insurance company that does not exist in Pennsylvania.

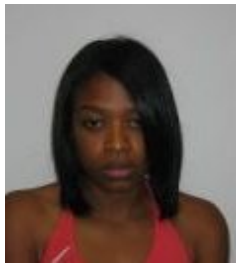
The investigation identified 25 victims, ranging in age from 60 to 85 years old, who suffered a combined loss of \$676,382. Serfass has been charged with 25 counts of insurance fraud, 25 counts of theft by deception and 25 counts of theft by failure to make required disposition of funds, all third-degree felonies which are each punishable by up to seven years in prison and \$15,000 fines. Serfass has also been charged with one count of participating in a corrupt organization, a first-degree felony punishable by up to 20 years in prison and a \$25,000 fine.

### Additional Arrests

- Linda Savage was arrested in Fayette County on September 30, 2008. According to the Criminal Complaint, Savage filed an uninsured motorist benefits claim with the Allstate Insurance Company on March 30, 2007. Savage claimed that she was injured in a collision with another vehicle which caused her to lose control of her vehicle and crash into a residential yard. Our investigation revealed that Savage was involved in a single vehicle accident. It is alleged that Savage was not eligible for uninsured motorist benefits for pain and suffering due to being involved in a single vehicle accident because she was the "at fault driver". Linda Savage has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).



- On September 16, 2008, Andrea Leiba was arrested in Bucks County. According to the Criminal Complaint, Leiba obtained an automobile insurance policy on September 26, 2007, with the Infinity Insurance Company to insure her 2000 Escalade. Leiba represented in the application that she had no prior claims and that she was living at a Clifton Heights, PA address. On October 19, 2007, Leiba made a claim alleging that the Escalade was stolen from Brown Street in Philadelphia. The vehicle was recovered three days later with interior fire damage and no signs of forced entry or damage to the ignition. Leiba submitted a signed affidavit claiming that she resided at a Sycamore Avenue address and that she had no prior claims. According to the Criminal Complaint, Leiba resided at the Brown street address and had never resided at the Clifton Heights address. Furthermore, Leiba had six previous insurance claims and was behind on her car payments. Andrea Leiba has been charged with three counts of Insurance Fraud (F3&M1).
- Thomas Varish, Merry Miller and Roger Henry were arrested in Adams County on September 3, 2008. According to the Criminal Complaint, Varish's home was vandalized when a large rock was thrown through the window damaging the glass, window sill, floor and a couch. The Erie Insurance Company paid Varish \$10,247 for his claim. Henry provided a receipt to Varish indicating that Henry repaired the floor and window sill. According to the Criminal Complaint, Henry never completed the repair work to the floor and window sill and that only \$3,000 to \$4,000 in actual damage occurred to Varish's property. It is alleged that Varish and Miller submitted inflated and/or fraudulent receipts to the Adams County District Attorney's Office and the Adams County Court personnel in support of a restitution claim and to the Erie Insurance Company in support of an insurance claim. Varish, Miller and Henry each have been charged with two counts of Insurance Fraud (F3), one count of Theft by Deception (F3), one count of Tampering with Public Records or Information (F3), one count



of Criminal Conspiracy/Theft by Deception (F3), one count of Unsworn Falsification to Authorities (M2) and one count of Tampering with or Fabricating Physical Evidence (M2).

- On September 30, 2008, Mark Zimmerman was arrested in Cumberland County. According to the Criminal Complaint, Zimmerman contacted the police and reported that a black vinyl bed cover, 2 dark blue vinyl pontoon boat covers and a Meyer's snowplow frame/mount were stolen from the bed of his truck. Zimmerman then filed a claim with the Allstate Insurance Company reporting the theft of these items and a Meyer's 7 ½ foot snowplow blade from his truck. According to the Criminal Complaint, the Meyer's snowplow frame/mount and the Meyer's 7 ½ foot snowplow blade were not stolen and that Zimmerman attempted to collect \$9,550 in coverage for these items. Mark Zimmerman has been charged with one count of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of False Reports to Law Enforcement Authorities (M1).
- Matthew Huda was arrested in Schuylkill County on September 29, 2008. According to the Criminal Complaint, Huda's automobile insurance policy with the Progressive Insurance Company was cancelled on October 2, 2007 for non-payment of premium funds. Huda contacted Progressive on October 11, 2007 at 4:14 p.m. and reinstated his policy. Huda provided a statement to Progressive that his insured vehicle had not been involved in any accidents or losses since October 2, 2007. Huda then filed a claim on October 16, 2007, with the Progressive Insurance Company stating that he was involved in an accident on October 12, 2007. It is alleged that Huda was involved in an accident on October 11, 2007 at 4:05 p.m. and called from the accident scene to reinstate his automobile insurance policy. Huda has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by



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Deception (F3).

- On September 12, 2008, Theodore Marshall was arrested in Montgomery County. According to the Criminal Complaint, Marshall, a licensed insurance agent, was hired by the Fino Insurance Group of Harleysville to open an office in Philadelphia. A bank account was opened in Montgomery County under the name of Marshall Insurance Premium Account as a means to transfer premium payments to the Nationwide Insurance Company. Marshall was required to deposit all premium payments he received into that account and Nationwide would then transfer the funds from that account into their own. Marshall was not authorized to make withdrawals from that account. It is alleged that Marshall obtained an ATM card and made several unauthorized withdrawals from the account totaling \$3,131.61 and used the funds for personal use. Theodore Marshall has been charged with one count of Insurance Fraud (F3) and one count of Theft by Unlawful Taking (F3).
- Denise Cain and Kimiyo Porter were arrested in Montgomery County on September 22 & 24, 2008. According to the Criminal Complaint, Cain filed a claim with the Progressive Insurance Company after she was injured in an automobile accident. Cain claimed she missed approximately six weeks of work at Express Towing, a business she owned with her son. Progressive asked for verification of Cain's wages. According to the Criminal Complaint, Cain had Porter fax a purported wage and salary verification document from Express Towing listing Cain's position as "contract coordinator". Porter also faxed Cain's alleged paychecks and other wage documents to Progressive. It is alleged that Cain was not employed at Express Towing and listed a false address on her policy application to avoid higher rates. Cain and Porter each have been charged with two counts of Insurance Fraud (F3), one count of Theft by Deception (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of Criminal Conspiracy/Theft by



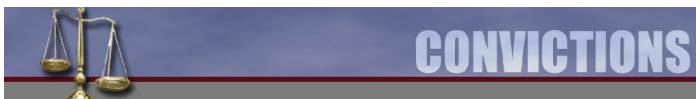
Deception (F3). Cain was also charged an additional count of Insurance Fraud (M1).

- On September 30, 2008, Victoria Roebuck was arrested in Lancaster County. According to the Criminal Complaint, Roebuck, while driving her mother's car, ran a stop sign and crashed into another vehicle. The owner of the second vehicle filed a claim with the Progressive Insurance Company, identifying the "at-fault" driver as "Janice" Roebuck. Janice Roebuck is the name of Victoria's mother. It is alleged that Roebuck used her mother's identity to attempt to have the collision covered under her mother's policy. Roebuck was an excluded driver on her mother's policy. Roebuck has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- Charlene Harvey was arrested in Chester County on September 4, 2008. According to the Criminal Complaint, Harvey obtained coverage through the Progressive Insurance Company for her Trailblazer on May 28, 2008. Harvey filed a claim with Progressive on May 31, 2008, claiming she was involved in a single vehicle accident earlier that day. According to the Criminal Complaint, the accident occurred on May 16, 2008, prior to the inception date of the policy. Harvey has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- On September 29, 2008, Khalil Cotton was arrested in Allegheny County. According to the Criminal Complaint, Cotton filed a claim for a burglary at his apartment reporting that personal property was stolen. Cotton provided the State Farm Insurance Company with an inventory sheet of the items missing. It is alleged that a number of items Cotton listed as stolen were still in his possession. Cotton has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).





- Brandi Feathers was arrested in Franklin County on September 15, 2008. According to the Criminal Complaint, Feathers called the Progressive Insurance Company to obtain coverage for her Honda Accord. Feathers stated during the recorded application process that her vehicle had not been involved in any accidents during the past three years. According to the Criminal Complaint, Feathers was involved in an accident on February 8, 2008 and called to obtain coverage for her Accord from the scene of the accident. Feathers has been charged with one count of Insurance Fraud (M1).



- William Elensky, Jr., an insurance agent, plead guilty to twelve counts of Theft by Failure to Make Required Disposition of Funds Received (8 F3 & 4 M1) in Clearfield County. Elensky received \$91,000 from 11 clients to obtain various types of annuity or insurance policies, including workers' compensation and commercial liability policies. Elensky failed to purchase the policies, using the money for his own purposes. Elensky prepared fraudulent documents to convince the defrauded victims that the money was used for the intended purpose. On September 22, 2008, Elensky



was sentenced to serve 18 to 84 months incarceration and 2 years concurrent probation. He was ordered to pay restitution of \$70,993.05 and all court costs.

- Jeffrey Fix entered a guilty plea to three counts of Insurance Fraud (F3) and three counts of Act 64 Drug Violations (F) in Allegheny County. Fix was one of four people who assisted another in passing forged prescriptions to obtain Oxycontin and Oxycodone. The prescriptions were billed to Highmark Insurance, UPMC Insurance and Medco Insurance by obtaining insurance information from friends and family. On September 8, 2008, Fix was sentenced to serve 10 to 23 months incarceration and 2

years consecutive probation. He was ordered to attend drug/alcohol evaluation and treatment and to pay restitution of \$2,532.77 and all court costs.

- Scott Rubendall entered a guilty plea to one count of Criminal Conspiracy (F3) in Lebanon County. Rubendall conspired with Cory Rittle to stage the theft of Rittle's Ford Focus by taking it to a quarry and causing the vehicle to fall into a 20 foot deep pit. Rittle reported it stolen to the police and filed a claim with the Progressive Insurance Company. Progressive paid \$13,811.50 to the lien holder. Rubendall hoped to receive money owed to him by Rittle. On September 10, 2008, Rubendall was sentenced to serve 6 to 24 months incarceration. He was ordered to pay a \$300 fine, \$13,811.50 joint/several restitution and all court costs. Cory Rittle had previously plead guilty and was sentenced.

- Roy Campbell and Jeannette Burwell entered guilty pleas to two counts of Insurance Fraud (F3), one count of Theft by Deception (F3), one count of Criminal Conspiracy (F3) and one count of Criminal Attempt/Theft by Deception (M1) in York County. Campbell and Burwell submitted claim documents containing false information in support of claims for supplemental sickness, injury and disability insurance benefits with the Combined



Insurance Company of America. On September 29, 2008, Campbell was sentenced to serve 6 to 23 months incarceration and 5 years consecutive probation. Burwell was sentenced to serve 3 to 23 months house arrest and 5 years consecutive probation. They were both ordered to pay \$30,000 restitution joint/several and all court costs.

- Nicole Saksek entered a guilty plea to one count of Insurance Fraud (F3) in Dauphin

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County. Saksek misrepresented herself to be an employee of Chrysler Financial to the Progressive Insurance Company and provided false verification that a lien was satisfied on her friend's vehicle. The friend's vehicle was involved in an accident and her friend wanted Progressive to issue the check directly to her instead of the lien holder. On September 4, 2008, Saksek was sentenced to serve 1 to 23 months incarceration and was ordered to pay a \$250 fine and all court costs.

- Robin Payne entered a guilty plea to two counts of Insurance Fraud (F3) in Montgomery County. Payne obtained a policy with the Infinity Insurance Company and submitted a claim for damages a week later. Our investigation revealed the damages to the vehicle were the same damages from a prior claim a month earlier with the AIG Insurance Company. On September 15, 2008, Payne was sentenced to serve 8 days to 23 months incarceration and 2 years consecutive probation. Payne was ordered to pay a \$500 fine and all court costs.

- Mary Carter entered a guilty plea to one count of Insurance Fraud (F3) in Beaver County. Carter submitted a claim to the State Farm Insurance Company for a burglary at her home, reporting that several items, including jewelry, were stolen. Our investigation revealed that Carter sold several pieces of jewelry to a pawn shop prior to her claim. On September 19, 2008, Carter was sentenced to serve 3 to 23 months house arrest and was ordered to pay a \$500 fine and all court costs.

- Tirhas and Wionshet Mekonnen each entered guilty pleas to one count of Criminal Conspiracy/Theft by Deception (F3) in Philadelphia County. Tirhas allowed her sister, Wionshet, who lived in Ethiopia, to use her Blue Cross/Blue Shield medical insurance in order to have a surgical procedure performed. Wionshet claimed the standard of care was much



better in the US and that the health care system was easy to manipulate. On September 16, 2008, Tirhas and Wionshet were each sentenced to serve 5 years probation and ordered to pay \$10,381.86 restitution and all court costs.

- Ian Smith entered a guilty plea to one count of Insurance Fraud (F3) in Chester County. Ian Smith's brother filed a claim with the Donegal Mutual Insurance Company stating a number of tools were taken from a work trailer which was located at Ian's residence. Donegal paid Ian's brother \$1,000 for the loss. Ian then filed a claim under his homeowner's policy with the Cumberland Insurance Company stating that tools were taken from his garage and his brother's work trailer. Our investigation revealed that these were the same tools previously reported stolen by Ian's brother and that both had submitted a fraudulent receipt to Cumberland in support of the claim. On September 25, 2008, Ian Smith was sentenced to serve 3 years probation and was ordered to perform 75 hours of community service. He was ordered to pay a \$350 fine and all court costs.

### (ARD) DISPOSITIONS

During the month of September, six additional defendants received Accelerated Rehabilitative Disposition (ARD). Defendants who receive ARD are typically sentenced to serve 2 years probation and ordered to perform 50 hours of community service. In addition, they are ordered to pay full restitution, all ARD costs and all court costs.

### TRAINING

The Office of Attorney General's Insurance Fraud Section would be happy to provide any insurance company with information and/or training in the fraud referral process.

If you would like information on how we can help you, please contact Eileen K. Gearhart at [egearhart@attorneygeneral.gov](mailto:egearhart@attorneygeneral.gov). Please be sure to include your full name, company and contact information.